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History awaits the answer

By Richard L. Strout

Over the loudspeakers to the huge party Congress in Moscow Nikita Khrushchev boasted, "The Soviet Union intends to outstrip the United States economically. . . ."

The roly-poly leader told the U.S.S.R. as he launched the latest seven-year plan: "After the completion of the plan we will probably need about five more years to catch up with and outstrip the United States in independent output."

"Thus," he added, "by that time (1970), or perhaps even sooner, the Soviet Union will advance to first place in the world both in absolute volume of production and in per capita production."

Preposterous! Central Intelligence Director Allen Dulles said so, Nov. 13, 1959, testifying before a congressional joint economic subcommittee. And yet Mr. Dulles was worried. He had brought to the committee, he said, the best information available and the CIA had tried to weigh it "without prejudice."

Soviet economy was thundering ahead. United States economy was faltering. In 1913 Russia was sixth or seventh among industrial nations. Now it was second. Industrial growth was 8 or 9 percent, maybe higher. By contrast the United States was in a recession; its annual rate of growth in 1958 was minus 1.2 percent. "Soviet GNP (gross national product) has been growing twice as rapidly as that of the United States over the past eight years," Mr. Dulles reported.

I remember the somber mood as he finished. If Soviet industrial growth "persists at 8 or 9 percent per annum over the next decade as is forecast," he concluded, "the gap between our two economies by 1970 will be dangerously narrowed unless our own industrial growth rate is substantially increased from the present pace."

Well—what happened?

Two things happened as now reported by careful staff economists of the same congressional committee in a 220-page study, just released.

Soviet GNP has declined in growth from 8.5 percent in 1958 to "an abnormally low rate of 2.6 percent in 1963" (the latest year available).

And the United States economy has shaken its lethargy. It was 3.4 percent in 1963, and now it is in its 53d month of uninterrupted advance.

The new figures do not contradict those of 1958. Mr. Dulles had a lot to worry about at that time. They do show, however, how relationships have changed. From being second industrial nation, the U.S.S.R. is now fifth.

Its choice between guns and butter is as agonizing as ever. And Mr. Khrushchev is out.

This new staff study is packed with quiet, colorless, fascinating details. The U.S.S.R. has 98 percent as many sewing machines as the United States, and 1 percent as many automobiles. It gets only 22.3 bushels of corn to the acre, while the United States gets 67.6. It has 21 doctors per 10,000 persons while the United States has 14. Its birth and death rates are respectively 19.7 and 7 per 1,000 population (in 1964) while the United States figures were 21.3 and 9.4.

Statistics simply tumble out of the report. ("Current Economic Indicators for the U.S.S.R.," 55 cents, Superintendent of Documents, Washington, D.C.) No less than 642 sources are cited, mostly Russian.

Soviet population—229.1 million, Jan. 1, 1965; 53 percent urban. (It was 39 percent urban in 1950.) Because of farm inefficiency the Soviet is forced into a bread, grain and potato economy; what it yearns for is America's corn-hog economy. Most of Russia lies north of the latitude that divides the United States and Canada. Growing season is short.

Here's a table showing "Soviet per capita consumption as a percent of United States." —the U.S.S.R. has only 5.3 percent of America's canned goods; uses only 26.5 percent as much footwear, but on use of potatoes the figure is 234.4 percent, on alcoholic beverages—294.9 percent.

At least half of all Soviet urban families have to share kitchens and other facilities with neighbors in the apartment. Housing congestion is terrible, though improving: There were 3.43 persons per room in 1950, now it's down to 2.55.

In short, the U.S.S.R. is caught between growing demands and tightened resources. The report says, "The regime cannot simultaneously upgrade living standards, maintain a rapid growth rate, and match the United States in aerospace and nuclear